



**State of Utah**

Jon M. Huntsman, Jr.  
*Governor*

Gary Herbert  
*Lieutenant Governor*

**Administrative Services**

*Executive Director*

**Purchasing and General Services**

DOUGLAS RICHINS

*Division Director*

SOLICITATION NUMBER: RM5061AD3

DUE DATE: 05/18/05

TIME: 3:00 P.M.

STATE PURCHASING AGENT: ROSELLE MILLER

DATE ADDENDUM SENT: 05/03/05

ITEM(S) TO BE PURCHASED: Contract for Administrative Services at the Utah State Veteran's Nursing Home.

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**ADDENDUM #3**

**Please note: Attached are the final questions and answers for the referenced RFP.**

**Solicitation due date and time remain the same Wednesday, May 18, 2005 at 3:00 p.m.**

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Please return all addenda with solicitation or add a statement to your original Solicitation acknowledging receipt of any addenda received on this solicitation or your bid may be rejected.

Utah State Veterans Nursing Home  
RFP #RM5061  
Response to submitted questions  
May 3, 2005

**Question #1**

1) As part of the current \$128.48 / day rate charged to the Veterans, please verify whether the following services are included or excluded in the rate.

Medical supplies

Durable medical equipment

Enteral products

Pharmacy medications

a) If the service is excluded but paid for by the facility, what percentage of revenues is that item currently running in the financials?

b) If the service is included in the daily rate, what percentage of the expenses are provided through the VA Hospital and what percentage of revenues is that line item currently running in the financials?

Answer

**Answer #1**

**Medical Supplies** – Routine items as defined in state regulation 4.19-D are included in the rate.

**Durable Medical Equipment** – Depreciation is allowed in the rate. If you choose for tax purposes to charge these as Section 179 expenditures, we will adjust the amount to reflect appropriate depreciation.

**Enteral Products** – Not considered routine and may be billed to appropriate party such as Medicare or patient.

**Pharmacy Medications** – Prescription drugs are not considered routine and are not included in the daily rate.

a) Pharmacy – less than 1% of total gross revenue.  
Enteral Products – unable to break out.

b) We do not have percentages paid by the hospital.  
Medical supplies – averages between 2 and 3 percent of gross revenue.

**Question #2**

2) Please verify whether the van will be provided by the Operator or the State through the National Guard to the facility.

**Answer #2**

The veterans' nursing home advisory board has recently made a decision to work towards having two minibuses as part of the Division of Fleet Operation's Full Service Lease Program. Once the vehicles are under this program, associated costs (lease payments, insurance, licensing, maintenance and fuel) will be the responsibility of the State and will be paid for through the holdback funds as explained in RFP section 2.5.

This transition will likely happen over the next two years (one minibus this year and the second minibus in 2006). For proposal purposes follow the language in RFP section 2.4.2.

**Question #3**

3) Can you provide a financial statement from FY'2004, either in its entirety or in a summarized form (ie. expense item as a percentage of gross revenues or a line item expense identified as a cost per patient day)?

**Answer #3**

The following is a summary of FY'2004 expenses based on cost centers as a percentage of gross revenue :

Administration	22%
Property	9%
Plant Operation	4%
Dietary	10%
Laundry	2%
Housekeeping	5%
Nursing Administration	2%
Nursing	37%
Ancillary	5%
Recreation	2%
Social Services	1%
Medical Records	1%

Note: 75% of property expenses are funds associated with the State Holdback as explained in RFP section 2.5.

**Question #4**

Could you verify specifically what you mean by "All organizational information required by this RFP for the Prime Contractor shall be included for each sub contractor." I understand that a sub contractor represent, therapy services, hospice services, lab and x-ray services, agency nurses, supply vendors, consulting services like dietary, social services, medical records, activities, etc... Based on RFP section 4.2.1 through 4.2.2 it

would suggest that we need to supply a mission statement, corporate officers, percentage of ownership, organizational charts, letters of recommendations, resume, etc... for each sub contractor like the primary company is doing. Is this the intent?

In section 5.2.2 it asks that we provide a certified financial statement for sub contractors not including consultants. Again my understanding of subcontractors is agencies like hospice, nurse agencies, lab, and x-ray, supply vendors, etc... Many of these agencies will not provide a certified financial statement.

This information seems to be unattainable in many instances where that information is not available and /or is proprietary to that company. Have I miss understood the definition of sub contractor? If so, please clarify for me. If the definition is correct, have I interpreted the requirements for them correctly? What information do you suggest we need to include for the RFP on agencies such as the ones I have identified above?

#### **Answer #4**

The sub contract definition in the question is accurate.

Only the following information will be required on each intended sub contract:

1. Service to be provided.
2. Company/Individual name (if known).
3. Copy of professional license (if available).
4. Copy of signed contract between offeror and sub contractor (if available).

A certified financial statement for each sub contractor will not be required.